

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

> JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

Representativ	es Present During the Inspection:
OGM	Pete Hess Environmental Scientist III
OGM	April Abate Hydrologist
Company	John M. Walters

Inspection Report

Permit Number:	C0070022		
Inspection Type:	PARTIAL		
Inspection Date:	Wednesday, May 27, 2009		
Start Date/Time:	5/27/2009 1:00:00 PM		
End Date/Time:	5/27/2009 3:30:00 PM		
Last Inspection:	Tuesday, April 28, 2009		

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, warm; cumulo nimbus clouds forming.

InspectionID Report Number: 2030

Accepted by: JCH/PH

Permitee: SAVAGE SERVICES CORP Operator: SAVAGE SERVICES CORP Site: SAVAGE COAL TERMINAL

Address: 6340 S 3000 E STE 600, SALT LAKE CITY UT 84121

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Types of Operations Mineral Ownership

153.4	46 Total Permitted	☐ Federal	✓ Underground
132.	50 Total Disturbed	☐ State	✓ Surface
	Phase I	☐ County	✓ Loadout
	Phase II	Fee	☐ Processing
	Phase III	✓ Other	Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Mrs. Dana Marrelli, Blackhawk Engineering Company, also represented Savage Services Corporation during today's inspection.

Inspector's Signature:

Date

Monday, June 08, 2009

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0070022 Inspection Type: PARTIAL

Inspection Date: Wednesday, May 27, 2009

Page 2 of 3

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale				
2.	Signs and Markers	✓			
3.	Topsoil	✓		V	
4.a	Hydrologic Balance: Diversions	✓		✓	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	V		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	✓		✓	
4.d	Hydrologic Balance: Water Monitoring	✓			
4.e	Hydrologic Balance: Effluent Limitations	✓			
5.	Explosives		✓		
6.	Disposal of Excess Spoil, Fills, Benches		✓		
7.	Coal Mine Waste, Refuse Piles, Impoundments	V			
8.	Noncoal Waste	✓			
9.	Protection of Fish, Wildlife and Related Environmental Issues				
10.	Slides and Other Damage		✓		
11.	Contemporaneous Reclamation		~		
12.	Backfilling And Grading		V		
13.	Revegetation		V		
14.	Subsidence Control		✓		
15.	Cessation of Operations		V		
16.8	a Roads: Construction, Maintenance, Surfacing	✓			
16.k	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations				
19.	AVS Check				
20.	Air Quality Permit	✓		✓	
21.	Bonding and Insurance				
22.	Other				

Permit Number: C0070022 Inspection Type: PARTIAL

Inspection Date: Wednesday, May 27, 2009

Page 3 of 3

3. Topsoil

The vegetative cover on the soil storage piles is very poor. The Division recommends that the Permittee discuss a possible solution for these piles with the OGM soils scientist. This pertains to the main storage pile, as the topsoil and subsoil piles associated with the fine coal settling basins. Most of the stored material appears to be Mancos shale.

4.a Hydrologic Balance: Diversions

The berm along the northern permit boundary needs to be enhanced. The Permittee needs to check the approved MRP to determine if there is an approved design for this diversion. There were not any locations observed where runoff from the RailCo loadout had crossed over into the Savage permit area. Mr. Walters agreed to address this issue. The location of the French drain which also follows the same general bearing was also discussed. It was determined that a discussion with Mr. Dan Guy was necessary to determine the depth of this diversion, so damage to it would not be done by re-establishing the berm. A discussion on June 4, 2009 with Mr. Guy determined that the French drain is a 12 inch diameter pipe which varies in depth from 10 to 28 feet (lies atop a shale barrier) so re-establishment of the berm should not be a problem. A new culvert (C-29) is being permitted to carry flow beneath the primary road accessing the fine coal slurry ponds into permitted ditch CD-6.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

UPDES outfall from pond #6 was observed as not flowing this day. No submittal has been made to re-locate pond #5 in order to increase coal storage capacity.

4.c Hydrologic Balance: Other Sediment Control Measures

Mr. Walters expressed a concern about water borne coal fines entering the Savage permit area from the adjacent DTE site. The Permittee should submit a proposal to establish a berm to re-direct or confine the water laden runoff to the DTE disturbed area. DTE is no longer operating.

20. Air Quality Permit

The Permittee's water truck was making applications to the operational roads and pads during today's inspection.